

FM HONG KONG 090945Z FEB 83  
TO PRIORITY FCO  
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YOUR TELNO 58: FUTURE OF HONG KONG

1. I HAVE BEEN GIVING THOUGHT TO THE BEST WAY OF TAKING EXCO'S ADVICE ON THE ISSUES NOW UNDER CONSIDERATION.
2. I HAVE ALREADY REPORTED TO THEM IN GENERAL TERMS ON THE OUTCOME OF MY VISIT TO LONDON. I HAVE ALSO DESCRIBED TO THEM THE CHINESE STRATEGY OF BEING DIFFICULT ABOUT THE TALKS: SELLING THEIR PLAN DIRECT TO PEOPLE IN HONG KONG: AND GAINING ACCEPTANCE OF IT IN UNOFFICIAL CIRCLES IN LONDON AND WASHINGTON, ADDING THE POSSIBILITY THAT WE SHALL BE PRESENTED WITH A NEW PLAN AND MENTIONING THE LIKELY RECOURSE BY THE CHINESE TO PUBLICITY. I WAS ABLE TO DO THIS ON THE BASIS OF WHAT THE CHINESE ARE ACTUALLY DOING, WHAT LIAO CHENGZHI SAID, AND THE AMBASSADOR'S TALK WITH YAO GUANG ON 26 JANUARY. THEY ARE THEREFORE CONDITIONED TO THINKING ABOUT WHAT WE SHOULD HAVE TO DO IF THE CHINESE PROVE ADAMANT ON THE PRIOR ACCEPTANCE OF THEIR POSITION ON SOVEREIGNTY AND THREATEN TO PUBLISH THEIR PLANS: AND ABOUT THE POSSIBLE NEED TO USE INFORMAL CHANNELS IF THE MAIN TALKS GOT STUCK.
3. I HAVE I THINK NOW GOT THE UNOFFICIALS IN A CO-OPERATIVE FRAME OF MIND BY REGULARLY REVIEWING THE SITUATION WITH THEM. BUT TO KEEP THEM ON SIDE I THINK IT ESSENTIAL TO TAKE THEIR ADVICE ON FUTURE ACTION (NEXT WORD UNDERLINE) BEFORE I RETURN TO LONDON. THEY HAVE MADE CLEAR IN THE PAST THEIR STRONG OBJECTION TO BEING PRESENTED WITH DECISIONS ALREADY TAKEN, AND VOICED THEIR LEGITIMATE WISH TO CONTRIBUTE TO THE SEARCH FOR THE BEST WAY FORWARD: AND AN INPUT BY CHINESE MINDS COULD BE VERY VALUABLE.
4. MUCH WILL NOW DEPEND ON WHAT EMERGES FROM THE AMBASSADOR'S INTERVIEW WITH YAO GUANG TODAY. IF THIS ALLOWS US TO PURSUE OUR PRESENT STRATEGY (YOUR PARA 2 B(i)), THERE WILL BE NO DIFFICULTY ABOUT INVITING EXCO'S IDEAS ON HOW TO MAKE IT MOST EFFECTIVE. AT THE OTHER END OF THE SCALE OF OPTIONS, EVEN IF THE CHINESE PROVE ADAMANT THERE WILL BE NO DISPOSITION IN EXCO TO SUGGEST THAT WE SHOULD MOVE TO PURSUE DISCUSSIONS ON THE BASIS OF THE CHINESE PLAN. (YOUR PARA 2 B(ii)).
5. WE ALSO NEED TO DECIDE HOW WE SHOULD TAKE THEIR ADVICE ON QUOTE ALTERNATIVE MEANS UNQUOTE (YOUR PARA 2 B(iii)). IF WE ARE UP AGAINST A COMPLETE CHINESE BARRIER ON SOVEREIGNTY I COULD SEEK THEIR VIEWS ON THE CONSEQUENCES OF SITTING TIGHT AND ALSO ASK WHAT IDEAS THEY HAVE ON GETTING ROUND THE SOVEREIGNTY BARRIER, SHORT OF HMG BEING ASKED TO CONCEDE IT IN THE FORMAL TALKS IN ADVANCE.

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6. OTHERWISE I COULD PUT THE QUOTE ALTERNATIVE MEANS UNQUOTE TO THEM IN MORE DETAIL. IF THE CHINESE RESPONSE IS SUCH AS TO CALL FOR CONSIDERATION OF SUCH QUOTE ALTERNATIVE MEANS UNQUOTE THIS SECOND COURSE WOULD BE INFINITELY MORE SATISFACTORY. THE ACCEPTABILITY OF SUCH QUOTE ALTERNATIVE MEANS UNQUOTE TO EXCO WILL BE A CRUCIAL FACTOR IN MINISTERS CONSIDERATION OF THEM. THIS ARGUES CLEARLY FOR TAKING THE TEMPERATURE OF EXCO ON THEM AS SOON AS THEY HAVE BEEN FORMULATED REASONABLY FIRMLY IN LONDON AND BEFORE I RETURN FOR CONSULTATIONS. INDEED, IT WOULD BE WORTH THE RISK OF DELAYING THE LONDON CONSULTATIONS FOR A WEEK OR TWO TO MEET SUCH PROGRAMME.

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